

Clemson University

College of Architecture, Arts and Humanities

Requesting Program Modification

Master of Real Estate Development

Move from the main campus to Greenville One

Submission: August 15, 2012



James F. Barker, President

Program Content:

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Revised September 7, 2012

Classification

Name of Degree Program: Master of Real Estate Development (MRED)

Academic Unit: College of Architecture, Arts and Humanities

Implementation Date: Upon approval of the site by SC CHE and completion of the building and lease agreement

CIP Code: 521501

Identification of Program as New or Modification: Modification

Site: Greenville One, 1 N. Main Street, Greenville, SC 29601

MRED will vacate Lee Hall and join the College of Business and Behavioral Science professional programs in the Greenville One facility.

Program Qualifies for Supplemental Palmetto Fellows Scholarship and LIFE Scholarship

Awards: _____ Yes No

Delivery Mode: Traditional

Justification

The Master of Real Estate Development program provides a rich research, teaching, and public service resource for students, consumers, and businesses in the State of South Carolina and the southeast region. Given the importance of real estate representing 55% of the world's total wealth and approximately half of annual domestic private investment in real property assets, Clemson University created the Master of Real Estate Development program to be at the forefront of real estate development teaching, research, and community service. By recognizing the economic importance of real estate development on a national and regional scale, Clemson University is committed to having a nationally prominent real estate graduate program that complements a goal of an increased presence of the University in downtown Greenville with related disciplines in Greenville One.

The relocation of the Master of Real Estate Development program to Greenville One will create additional educational opportunities for future development entrepreneurs to produce exciting, quality projects respecting the environmental sustainability, social consciousness, design excellence, and financial feasibility within the risk-reward framework. The MRED

program focuses on promoting an entire vision for a community through sustainable design, creative financing methods, place-making and healthy communities. A goal of the program is to enable each student to become a visionary who serves as a craftsman and designer of neighborhoods and community development, one who recognizes the role of the developer in guiding the different aspects of creating the built environment – political, economic, physical, environmental, legal and sociological parameters.

As the real estate industry has become more complex and closely linked to public sector decision-making, many academics and practitioners recognize the need for increased collaboration on active projects with a hands-on approach for students. The relocation of the MRED program will provide a "living lab" environment in a dynamic, urban environment and increased accessibility to leading professionals in the public and private sectors.

With a core mission to develop a nationally-known renowned Master of Real Estate Development program, the relocation to Greenville One will elevate the stature of the program with enhanced student recruiting and improved learning outcomes.

Enrollment

The mission of the Master of Real Estate Development Program is to attract students from a wide background of disciplines and provide an educational opportunity for future development entrepreneurs. The program is restricted to those applicants whose academic record and work experience indicates a high potential for success in graduate studies and in their professional career. Indicators include previous academic performance, letters of recommendation, standardized test scores (GRE or GMAT), personal interviews, resumes and statements of interest. The current enrollment of the program is limited to 20 graduate students per class with the majority of the students having academic degrees or professional experience in real estate brokerage, finance, architecture, construction or landscape architecture. However, students of the humanities and disciplines as diverse as law and political science have succeeded in the program and are encouraged to apply. The MRED program only accepts full-time students committed to a 2-year curriculum providing comprehensive learning outcomes in order to meet industry expectations of the graduates.

The current enrollment is modeled upon an immersion learning approach whereby students are actively engaged in projects and with real estate practitioners. Many of the projects are team-based including the capstone courses known as the Practicums. The program also takes the students on several development tours each year including the Urban Land Institute Fall Meeting, development tours of Charlotte and Atlanta. One of the highlights for the first year MRED students is the Minimester Coastal Tour which features development tours of approximately 40 projects from a full array of product types. The optimal size for effective team interaction, student cohesiveness and trips associated with the program is 20 students per class (maximum of 40 in the program). However, there is potential for expansion of the program on

a limited basis without diluting the immersion learning model. The enrollment can be increased to 24 students as needs and resources permit.

PROJECTED TOTAL ENROLLMENT						
YEAR	FALL	CREDIT HOURS	SPRING	CREDIT HOURS	SUMMER	CREDIT HOURS
2011-2012	34	408	34	510	14	126
2012-2013	32	384	32	480	18	162
2013-2014	36	432	36	540	18	162
2014-2015	38	456	38	570	19	171
2015-2016	40	480	40	600	20	180

Curriculum

The Clemson MRED program is a joint degree between the College of Architecture, Arts and Humanities and the College of Business and Behavioral Science. The curriculum is a 54 credit hour program with required classes in MBA/Finance, Law, Construction Science & Management, Architecture, City & Regional Planning and Real Estate Development. The Clemson University MRED is a 2-year, full-time program with a professional internship during the summer between the first and second years.

There are no anticipated curricular changes with the relocation of the program.

Faculty

There are no anticipated faculty changes to support the proposed modification. Current faculty support is adequate to meet the needs of current and expanded enrollment of the program with the relocation.

Physical Plant

The MRED program will be relocated into the Greenville One space acquired by the Clemson University Real Estate Foundation. Graduate programs in the College of Business and Behavioral Science including MBA, Master of Management, Master of Accountancy and Centers and Institutes associated with these graduate programs will occupy the majority of the space with

the MRED program sharing classroom space, common student and reception areas. MRED faculty and staff faculty will have 4-5 offices, 4 studio rooms for Practicum's and One designated classroom classified as "first priority" classroom for the program. The Richard H. Pennell Center for Real Estate Development will remain in Lee Hall on the main campus of Clemson. The vacated classrooms, studio rooms and offices of the MRED program will help alleviate a current need for additional offices and studio space in Lee Hall for the architectural, landscape architecture and planning programs.

Greenville One's four floors were conceived with specific functional attributes defining the general use of each level. A quick review of the initial design philosophy for each floor is offered below:

- Fifth floor – Supports external programs and special events. It has an indoor and outdoor reception area capable of hosting 200+ guests, a 200-seat auditorium, a flexible meeting room holding up to 125 people and space for break-out sessions. Additionally, it will contain video capture rooms designed to support MRED practice rooms and the Center for Corporate Learning's growing customized sales training programs. The space has not been designed as traditional classroom space, however, its use to support graduate education is feasible in special circumstances.
- Sixth floor – Supports educational classroom space. It is connected to the fifth floor and provides convenient access to the lobby areas of the floor below and a view of the outside patio. The sixth floor should provide unique collaborative opportunities for the community and the support units residing at Greenville One.
- Seventh floor – Houses all of the support units that engage regularly with the community and benefit from a physical proximity next to each other. The MRED program and the College of Business and Behavior Science's Spiro Institute, Small Business Development Center, and the Center for Corporate Learning offices are located here. CURF was originally envisioned as occupying some space here, or it might be more appropriate for another center or institute that has strong community relationships. The floor also has a second Harvard style case study room and additional classroom space.
- Eighth floor – Contains the administrative offices required to operate Greenville One, including Director of Operations/Associate Dean's of CBBS, MBA offices, and educational program offices (Marketing, Management, Accounting, and Real Estate Development). Faculty and other program administration offices are designed as shared space to optimize utilization. The eighth and seventh floors are linked by staircase that creates easy access to the units below.

Equipment

Clemson University will provide sufficient equipment and furnishings to support the program's relocation. Faculty and staff shall use computers currently in their possession. To enhance learning outcomes for the program, some of the classrooms shall have a Socratic

plan with elevated tier seating and advanced media technology allowing for enhanced presentations. To accommodate distance learning from the main campus, live streaming of selected courses and lectures shall require advanced projection and recording technology. Classroom, office and common area furnishings shall be in the overall Greenville One relocation budget.

Library Resources

The Gunnin Library for the College of Architecture, Arts and Humanities (Lee Hall on the main campus) provides adequate resources for this program. The Red Hughes Collection of the Urban Land Institute will be relocated to Greenville One in a planned library. It is anticipated that this library will house additional collections of journal publications and books relevant to the program.

Accreditation, Approval, Licensure, or Certification

Licensure of those who specialize in real estate development is currently contained within allied disciplines such as state licensure for real estate sales and brokerage. Separate licensure for real estate development as a distinct profession is not anticipated in the foreseeable future.

Estimated Cost

New costs to the program will be minimal and external funding is being developed to meet those needs. No unique costs or other special appropriations will be required or requested for this program. The MRED program tuition is set by the Board of Trustees and includes enhanced graduate student experience. This is accomplished with development tours in Atlanta and Charlotte and student conference participation with Urban Land Institute meetings (2012-Denver) and the International Council of Shopping Centers regional meetings. The annual tuition is projected to increase from \$27,500 to \$29,000 beginning in 2014/2015. The projected tuition revenue will cover program expenses and generate a moderate surplus that will increase over the 5 years following relocation.

ESTIMATED COSTS BY YEAR						
CATEGORY	1st	2nd	3rd	4th	5th	Totals
Program Administration	121,000	121,000	121,000	121,000	121,000	605,000
Faculty Salaries	527,000	527,000	527,000	527,000	527,000	2,635,000
Graduate Assistants	38,000	38,000	38,000	38,000	38,000	190,000
Clerical/Support Personnel	87,500	87,500	90,000	90,000	92,500	447,500
Supplies and Materials	29,500	29,500	31,500	31,500	32,500	154,500
Promotional/Advertising	28,000	28,000	30,000	30,000	30,000	120,800
Travel	100,000	100,000	100,000	100,000	100,000	500,000
Printing	10,000	10,000	10,000	12,500	12,500	55,000
Facilities	6,000	6,000	6,000	6,000	6,000	30,000
Memberships	8,500	8,500	8,500	8,500	8,500	42,500
TOTALS	955,500	955,500	962,000	964,500	968,000	4,805,500
SOURCES OF FINANCING BY YEAR						
Tuition Funding	990,000 36@\$27,500	1,102,000 38@29,000	1,160,000 40@29,000	1,160,000 40@29,000	1,160,000 40@29,000	5,572,000
Program Specific Fees						
State Funding*						
Reallocation of Existing Funds						
Federal Funding						
Other Funding (Specify)						
Totals	990,000	1,102,000	1,160,000	1,160,000	1,160,000	5,572,000

Institutional Approval

Provost: July 9, 2012

President: July 9, 2012

Board of Trustees: July 19, 2012